



Rol-A-Top (1981) by Charles Bell

# AMERICA'S GAMBLING FEVER

*Nearly 50 years ago, gangster "Bugsy" Siegel built a casino in the desert town of Las Vegas, Nevada, unwittingly altering the course of American social history. Today, practically anywhere in America, you can try your luck at lottery offerings of every description, electronic keno, and other games of chance. Casinos are popping up everywhere. Our authors search for precedents in America's history of ambivalence toward gambling, and they weigh the pleasures and perils of this increasingly popular national pastime.*

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# PLAYING WITH MONEY

BY JACKSON LEARS

Americans have always been of two minds about gamblers and gambling. Several decades ago, Baltimore sportswriters searching for the ultimate accolade for the Colts' daring, crew-cut quarterback, Johnny Unitas, dubbed him a "riverboat gambler" in tribute to his knack for making big plays. But during those same years, the Maryland legislature went about abolishing the slot machines that had been a feature of every bar and roadhouse from Baltimore to Leonardtown. Public support for legalized gambling was at a low ebb. The riverboat gambler remained an appealing metaphor, but slots-playing waitresses and sheet metal workers seemed intolerable.

For more than two centuries, gambling has played a confused and contradictory role in the American imagination. Generations of moralists have dismissed the gambler as sybaritic, sinful, backward, or pathological. Yet at times the gambler has also embodied grace under pressure and a certain ideal of masculinity. Elements of courage, calculation, and skill have entered the picture alongside the feverish itch to squander. The cultural significance of gambling is not always easy to fathom.

No such uncertainties obscure the central facts about gambling today: during the past quarter-century, it has become more respectable than ever. Legalized gambling—from parimutuel wagering on horses and dogs to convenience store keno—has spread to an unprecedented degree. There are only 13 states that do *not* have lotteries today. Casinos, until recently confined to Las Vegas and a few other tawdry hot spots,

are popping up on Indian reservations and in other places across the country. Riverboats outfitted with slot machines and blackjack tables once again ply the Mississippi, as well as the Missouri and Red rivers. The image of the gambler has been correspondingly domesticated. The sharkskin jackets and shoulder holsters of yesteryear's archetypal gambler have given way to jogging suits and fanny packs. Gambling has lost the *frisson* of the forbidden; it has become family fun, as well as an attractive source of revenue for financially strapped state and city governments.

Not everyone is convinced that these are healthy developments. No less a block of prudential granite than Walter Cronkite interprets the legalization of gambling as moral decline, complaining that "a nation once built on a work ethic embraces the belief that it's possible to get something for nothing." Cronkite's attitude typifies the outlook of many Americans—indeed of anyone raised in the faith that there is no such thing as a free lunch, that unearned wealth is somehow tainted. Given our persistent attachment to a Protestant ethic of disciplined achievement, it should come as no surprise that lotteries and draw poker can still provoke anxiety as well as exhilaration.

Criticism of gambling is never about gambling alone. It is always freighted with larger cultural issues. Cronkite's condemnation of the something-for-nothing mentality, for example, reflects some fundamental ambiguities in our attitudes toward eco-

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conomic success. In an entrepreneurial society, the line between illegitimate and legitimate gambling has always been difficult to draw. The big gamble has always been a persistent feature of our economic and cultural history. What were the earliest English settlements at Jamestown and Massachusetts Bay if not enormous gambles?

**P**rofessional historians and business mythologists alike have celebrated the speculative go-getter, the man of vision rather than the respectable plodder. Students in search of American "national character" have repeatedly cited Alexis de Tocqueville's observation in 1835 that American commerce resembled "a vast lottery." Tocqueville wrote that "those who live in the midst of democratic fluctuations have always before their eyes the image of chance; and they end by liking all undertakings in which chance takes a part." Risk taking, from this perspective, was the engine that powered the progress of a fluid, mobile democracy.

But some kinds of risk taking were considered more salutary than others. Gambling with cards or dice provoked more sustained criticism than gambling with stock certificates—though at times the two practices seemed indistinguishable. What made the first kind of wagering illegitimate was the gamblers' refusal even to feign obedience to the work ethic. Stock speculators, if they were successful, could claim to be men of enterprise but casino gamblers could not. In their flagrant pursuit of something for nothing, they dramatized publicly what many people sensed privately about success in America: hard work often had little to do with it. Luck was the key.

The affluent have always found it easier than the poor to believe that the rich were rich because they deserved to be. The Protestant belief in providence, which began

with the principle that the fruits of human striving are God's alone, was gradually (and paradoxically) transformed so that it endowed the striver's success with moral worth. "The doctrine of providence was always less likely to appeal to those at the bottom end of the social scale than the rival doctrine of luck," writes the historian Keith Thomas. "The concept of luck explains any apparent discrepancy between merit and reward and thus helps to reconcile men to the environment in which they live." This is as true in the 20th century as it was in the 17th. The novelist Dorothy Allison writes of her dirt-poor childhood, two decades ago in South Carolina's Piedmont: "The only thing my family wholeheartedly believed in was luck and the waywardness of fate."

Making a virtue of necessity, believers in luck created an ethos of resignation—and something more. From early colonial times, they also helped fashion an important and enduring subculture, one more at ease with chance and contingency, less committed to a faith in human mastery over fate, than the dominant culture of enterprise, efficiency, and control. Despite the elements of calculation involved in some gamblers' success, the subculture of luck was the gambler's true home. If we take that subculture seriously, we may discover that the American debate over gambling, conducted during the course of several centuries, is not merely about changing definitions of vice and virtue; it is about different ways of experiencing the world.

One way to illuminate the larger significance of gambling is to treat it as play—in the larger sense developed by historians and anthropologists—not just as a manifestation of immorality or pathology. The play impulse, as the Dutch historian Johan Huizinga argued in his classic *Homo Ludens* (1938), animates art, poetry, and religious ritual as well as sports, games, the child-

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*A 19th-century painting by Benjamin Franklin Eddy seems to warn against the dangers of gambling.*

world of make-believe—and, I think we can safely add, most forms of gambling.

“Deep play,” according to the anthropologist Clifford Geertz, serves important cultural functions. Geertz saw deep play in the cockfights enjoyed by the people of Bali. They constituted, in his understanding, an important social ritual and also a form of art. “Like any art form,” he wrote, “the cockfight renders ordinary, everyday experience comprehensible by presenting it in terms of acts and objects which have had their practical consequences removed and been reduced (or, if you prefer, raised) to the level of sheer appearances, where their meaning can be more powerfully articulated and more exactly perceived.” Issues of status, hierarchy, masculine pride, the frus-

tration of ambition, the contingency of fate—all, Geertz claimed, are rendered concrete and meaningful in the cockfight.

The same could be said of other forms of gambling in other times and places, including the United States. Gambling takes money and raises it to the level of sheer appearances—piles of colored chips whose only immediate purpose is to keep the game in motion. In many ways, the game is a ritual re-enactment of the risk taking and status striving in everyday American life.

**Y**et at times it is something else. Playing for absurdly high stakes, gamblers can display their disdain for money as a medium of exchange. They can transcend the utilitarian

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calculus that dominates the society outside the sacred circle of the game. At such moments, gambling provides a subversive commentary on dominant social values. It opens the closed world of calculation to the play of the imagination. It even resonates with religious longings—above all the longing to cast off economic care, to “take no thought for the morrow” (as Jesus advised) and put oneself in the hands of Providence. Naturally, such moments are fleeting, but to understand their significance we need to untangle some major themes from several centuries of debate over gambling in the United States.

**F**rom earliest colonial times, the debate over gambling in America was inflected with religious idioms and regional accents. Although the English settlers were overwhelmingly Protestant, there was more than one Protestant ethic. It is too simple to pose Anglican against Puritan, Cavalier against Yankee. But it is not completely mistaken. The contrast between Massachusetts and Virginia does reveal a developing pattern of conflict, a pattern that points to broader cultural contradictions in an emerging entrepreneurial society.

To be sure, Puritans had theological warrant for opposing gambling. In the strict Calvinist view, there was no such thing as chance: all events were governed by providential decree. Casting lots was therefore nothing less than a means of catching a glimpse of God's mind. “Now a Lot is a serious thing not to be trifled with,” Increase Mather wrote in 1687, “the scripture saith not only (as some would have it) of *Extraordinary Lots*, but of a Lot in general, that *the whole disposing* (or Judgment) *thereof is of the Lord*, Prov. 16.33.” Casting lots (or throwing dice or shuffling cards) “in a Sportful Lusory Way” was a trivial pursuit that demeaned God's providence.

Yet in shaping attitudes toward gambling (and many other things), Puritan ethics were more important than Puritan theology. As early as 1631, the Massachusetts General Court declared that “all persons whatsoever

that have cards, dice, or tables in their houses shall make away with them before the next Court, under pain of punishment.” Punishment would most likely take the form of fines, and though they were rarely if ever levied against Puritans gambling at home, a person caught racing horses in Ipswich could be forced to pay the huge sum of 40 shillings.

But it is not clear how consistently these laws were enforced. By the 1720s, horse races were being promoted in the Boston newspapers. Even as the Puritans inveighed against frivolity, the city was filling with newcomers, including raucous habitués of the London ale-houses who brought their cards and dice with them across the Atlantic. This was another version of a transatlantic (and easily caricatured) cultural confrontation: the respectable middle-class reformer clucking over the common folk at their traditional revelries. Sometimes the common folk struck back. The Reverend Samuel Sewall of Northampton, Massachusetts, rebuked some gamblers on a Sabbath eve in 1699, and came home a few days later to find a pack of cards strewn all about his “fore-yard”—a mocking, anonymous counterthrust against authority.

Still, by the mid-18th century, gamblers were increasingly disreputable figures in New England society. Among the respectable majority, the old evangelical commitments to disciplined holiness mingled with newer aspirations to gentility. The growing force of a middle-class, Protestant morality rendered gambling more disreputable than ever.

**I**n Virginia, the same destination was reached by a significantly different route. By the early 18th century, the planter elite had turned gambling into deep play—a way to demonstrate one's masculine honor, an opportunity to show that one was a hell of a fellow who knew how to have a good time and cared not a fig for money matters. From Williamsburg to Richmond, Virginians bet not only on horses, cards, dice, and cockfights, but also

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on women, crops, prices, and the weather—in short, on just about anything. This was more than mere status display. It was a way of puzzling out one's *fortuna* in the largest, oldest sense of that term. "A gentleman's dice were like the soothsayer's bones from which they had descended—a clue to the cosmos, and a token of each individual's place within it," observes the historian David Hackett Fischer.

In Virginia, too, gamblers met clerical criticism. But unlike the Puritan clergy, the Virginia Anglicans were gentlemen of the gamblers' own social background. Their reproofs were mild. Like William Stith, the rector of Henrico Parish near Richmond, they tended to worry not that high-stakes wagers trivialized providence but that they threatened the gambler's capacity for self-determination. By the 1740s, however, in Virginia as in New England, evangelical revivalists of the Great Awakening were encouraging the pursuit of personal holiness. Gambling was declared guilty by association with the entertainments of the alehouse.

During the revolutionary era, gambling came into even worse odor when it was lumped together with the "parasitic" pursuits of a corrupt aristocracy. Gradually the "something for nothing" quality of gambling began to assume more prominence in the minds of the critics. The parasitical gambler was the antithesis of the virtuous "producer"—the yeoman farmer and the hard-working mechanic—of republican mythology. Yet games of chance survived and flourished for decades after the Declaration of Independence. Nearly all state governments continued to sanction and sponsor lotteries. In a new country where banks were few, the lottery was a convenient means of pooling large amounts of capital for joint ventures or what we now call "infrastructure." In 1793, President George Washington joined in sponsoring a lottery to finance improvements in the District of Columbia. Lotteries played a key role in raising money for Harvard College, the University of Virginia, and the University of North Carolina.

Even at this early stage in American economic history, it was sometimes difficult



*Thomas Hart Benton placed games of chance at the center, literally and figuratively, of the mythology of the American West in his panoramic celebration, Arts of the West (1932).*

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to tell the difference between gambling and legitimate business. The boundaries became even more blurred with the rapid spread of market exchange after the War of 1812. What we now call the antebellum decades did not seem "antebellum" to those who lived through them. They were filled not with foreboding about the future (at least until the 1850s) but with spurts of manic optimism, punctuated in 1819, '37, and '57 by financial panics. The entire country—or at least a good many of the free white males—seemed engaged in the feverish pursuit of quick cash. "Gambling hells" proliferated in frontier towns and port cities. Public disapproval sometimes erupted unpredictably. In Vicksburg, Mississippi, five gamblers (notorious confidence men all) were lynched in 1835. The gambler was a pariah. When 11 people were killed by an explosion on the steamer *Constitution* near Cincinnati on May 4, 1817, a German traveler noted that "among them was a gambler, who was buried separately." But outrage was often mingled with admiration. The gambling spirit caught many features of the masculine temper in a raw new country.

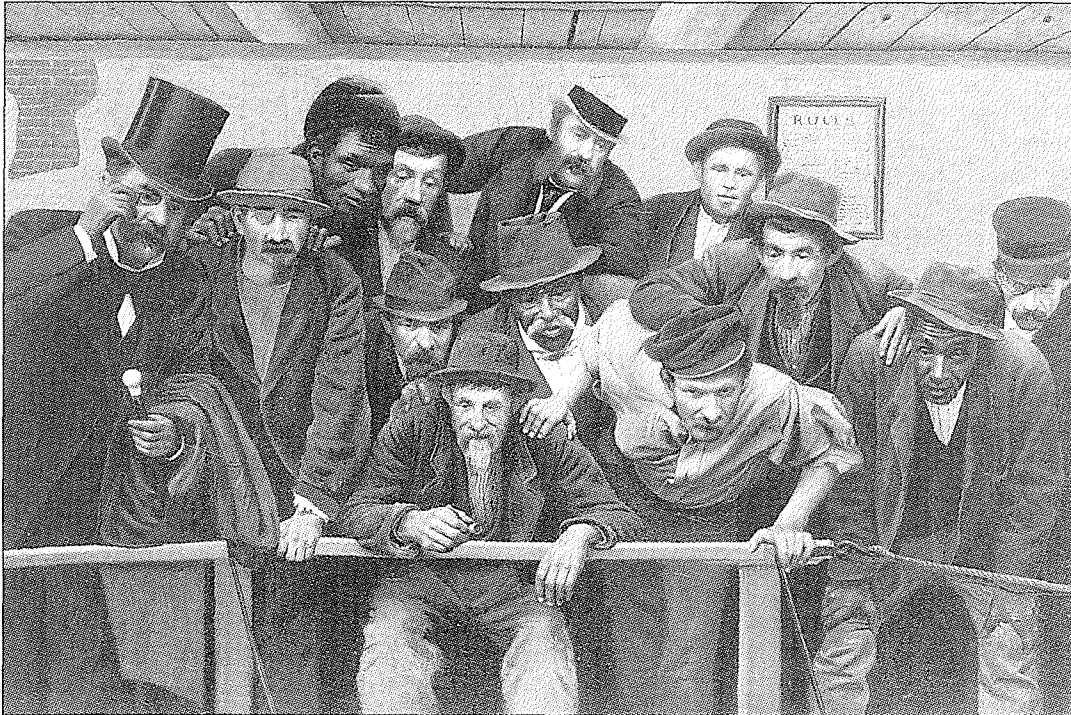
The importance of the frontier during this period, both as metaphor and as everyday experience, cannot be underestimated—notwithstanding the many simple-minded applications of Frederick Jackson Turner's "frontier thesis" by 20th-century interpreters of America. Aided and abetted by foreign observers, Americans began to mythologize their frontier experience even while they were in the midst of it. Tocqueville, visiting during the 1830s, wrote that Americans went west for the same reason they liked to gamble, "not only for the sake of the profit it holds out to them, but for the love of the constant excitement occasioned by that pursuit."

Hubert Howe Bancroft, who trekked to California in search of gold and later wrote the first major history of the state, captured some of the essential qualities that seemed to unite the frontiersman and the gambler

in his description of the '49ers at the gaming tables: "It is a fine thing to get a peck or a bushel of gold just by betting for it. . . . The tremulous rapture of mingled hope and fear is almost compensation enough even if one loses. . . . Next to the pleasure of winning is the pleasure of losing . . . only stagnation is unendurable."

**B**ancroft was writing in 1887, deep in the era of frontier mythmaking, when "tremulous rapture" was more appealing than ever to his elite audience, who felt themselves sliding into a morass of "overcivilization." Bancroft's gambler, with his contradictory tendencies, seemed an appealing representative of masculinity: "Supreme self-command is his cardinal quality; yet, except when immersed in the intricacies of a game, his actions appear to be governed by impulse and fancy. . . . He is never known to steal except at cards; and if caught cheating he either fights or blandly smiles his sin away, suffers the stakes to be raked down without a murmur, treats good-humoredly, and resumes the games unruffled. . . . He accustoms himself to do without sleep, and if necessary can go for several days and nights without rest. . . . He deals his game with the most perfect sang-froid, and when undergoing the heaviest losses there is no trembling of fingers or change of expression."

The riverboat gambler, that suave, bejeweled gentleman, as easily mythologized as the '49er, also came into his own during the antebellum period. He operated on the geographical margins of society (the rivers), usually with a sidekick disguised as a hick (or as an Irish greenhorn, Yankee merchant, or itinerant preacher). Often stuck with pariah status, the riverboat gambler could nevertheless carve out a successful career. Elijah Skaggs, for example, put faro (player versus dealer, one on one, high card) and three-card monte (the carnival shell game, with cards) on a new level of organizational complexity, creating a network of dealers in



Nearing the Issue at the Cockpit (1870), by Horace Bonham. Rich and poor mingled at cockfights.

dozens of cities. He was known ironically but respectfully as “Brother Skaggs, the preaching faro dealer” because of his ministerial garb and abstemious mien. This theatricality was of a piece with the self-promoting antics of P. T. Barnum and other 19th-century confidence men. No matter what the endeavor, a knack for publicity was often at least as important as hard work if you wanted to get ahead.

**T**he gambler’s style and strategies were indeed difficult to distinguish from those of the speculative plunger. As the Jacksonian economic theorist Richard Hildreth wrote in 1840, “When speculation proves successful, however wild it may have appeared in the beginning, it is looked upon as an excellent thing, and is commended as *enterprise*; it is only when unsuccessful that it furnishes occasion for ridicule and complaint, and is stigmatized as a *bubble* or a *humbug*.”

Material success brought solidity and moral standing to the upwardly mobile American—sometimes even to gamblers. From the 1830s to the ‘50s, for example, Edward Pendleton ran a luxurious (and legal) Washington, D.C., gambling establishment he called the Palace of Fortune just a few blocks from the White House. Pendleton was the prototype of the civilized sporting man. Dapper and articulate, the scion of an old Virginia family, he often loaned money to his less fortunate customers. He pioneered the use of “lady lobbyists” to minister to the needs of his clientele, which included members of Congress, presidential candidates, and cabinet officers. Yet Pendleton had a place in society. When Mrs. Pendleton died in 1859, according to one Washington newspaper, “President Buchanan stood, hat in hand, at the foot of her bed.”

But even as some gamblers managed to win a measure of respectability, many moralists and business apologists sought to



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draw a sharper distinction between legitimate and illegitimate means of accumulation. The emerging ethical consensus smiled upon any profit-seeking activity that seemed to be conducted within the circle of self-control, will, and choice. Most forms of gambling—and certainly the many state-sanctioned lotteries—fell outside it. When waves of evangelical reform sentiment swept America during the 1820s and '30s, the lottery was targeted for abolition. Lotteries embodied an outlook antithetical to what was becoming the dominant ethos of success through disciplined achievement. As a Maryland poet named St. Denis Le Cadet wrote in *The Lottery* (1815):

She seems to give to all who ask  
Without imposing labour's task  
The idle as the busy bask  
Alike in the sunshine of her mask.

Evangelical reformers redefined notions of manliness to exclude gambling. In antilottery literature, the gambler was not a cool and masterful embodiment of masculinity but a pathetic slave of passion. Fashion, not Fortune, was his goddess. The lottery, according to one pamphleteer in 1833, "is the effect of 'that Little Flippant Thing' called *Fashion*, at whose Shrine are offered daily sacrifices, from the Crowned Monarch, down to the Hatless Vagrant."

The evangelical assault on gambling was part of a broad effort to institutionalize self-control as the key virtue that would stabilize the centrifugal forces of the marketplace in a democratic society. As the historian Ann Fabian writes in her excellent study of gambling in 19th-century America, *Card Sharps, Dream Books, and Bucket Shops* (1990), by the 1830s "gambling represented an anachronistic expression of aristocratic pretensions, as well as a dangerous flirtation with unstable passion, and a serious violation of the steady accumulation and delayed gratification designed to control a wild enthusiasm for gain and turn selfish profit

seekers into a capitalist community." Gambling upset the delicate equipoise between discipline and desire that lay at the heart of a capitalist, entrepreneurial democracy.

The stakes in the struggle against gambling were higher than the merely political; the gambler posed a threat to the evangelical vision of the United States as a Christian nation. The assault on lotteries was largely successful. By 1878, Louisiana was the only state that still ran a lottery. The war on gambling was part of an ideologically charged reform agenda that included temperance, Sabbath observance, and the preservation of domestic sanctity. The domestic connection was probably the most important. Like drunkenness (and slavery), gambling broke up the idealized American home—that island of utopian harmony in a chaotic sea of self-seeking.

In many ways, the Civil War ratified and nationalized the Victorian consensus. It discredited the last vestiges of the aristocratic order in the South, a society based at least in part on contempt for labor and on archaic conceptions of masculine honor. It sanctioned the virtues of self-control and personal productivity.

Yet the war also spurred the growth of the nation's cities, where growing numbers of non-Anglo-Saxon immigrants sustained a popular culture of luck. Freed slaves, Irish, Germans, and, later, immigrants from southern and eastern Europe—all maintained an attraction to policy (the 19th-century "numbers" game). One manifestation of policy's popularity was the proliferation of "dream books," which offered tips on numbers to play based on the interpretation of dreams. Like patent medicine circulars, dream books such as *Old Aunt Dinah's Policy Dream Book* (1851) and *The Gypsy Witch Dream Book* (1903, rev. ed., 1930) drew on the old fascination with exotic lore, claiming to communicate the occult wisdom of Africa or the Orient. They constituted a kind of vernacular divination, a means of ordering and acting upon the chaos of everyday life—a system, you might say, of

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hope maintenance that offered not guarantees but possibilities of magical self-transformation.

**G**ambling after the war was not confined to back alleys and immigrant ghettos. There was plenty of action upstairs as well. The Gilded Age (1865–1900) got its name from Mark Twain and Charles Dudley Warner's novelistic send-up of fraud, but the term could as easily be used to reflect the gambler's dazzling and misleading use of surface effects to achieve his ends. It also caught the essence of the palaces in New York, Chicago, Baltimore, and other cities where gamblers plied their trade for years after the Civil War. These gambling resorts ensconced a nouveau riche world where a man's worth was measured by the girth of his stomach and the size of his diamond stud. It was a world where the gambler could cut quite a figure.

John Morrissey was one who did. He embodied an Anglo-Saxon nightmare: the barely literate, irredeemably crude Irish immigrant who accumulated a glittering mound of ill-gotten gains and enormous political influence, not to mention a seat in Congress. Morrissey was brought to Troy, New York, from Ireland by his parents in 1834, when he was three years old. On the streets of Troy he learned how to use his fists, becoming first a gang leader and later a successful bare-knuckle prizefighter in New York City. In 1858, after winning \$5,000 in a side bet on himself, he announced his retirement from the ring, saying, "My duties to my family and myself require me to devote my time and effort to purposes more laudable and advantageous." He then turned to building a career as a professional gambler and machine politician.

Morrissey was better at gambling than politics. Though elected twice to the U.S. House of Representatives, he could never quite get the etiquette of the place down.

Whenever anyone disagreed with him, he demanded that the other fellow put up his dukes. But in the world of gambling he acquired legendary status. As much impresario as participant, Morrissey ran opulent (and technically illegal) establishments in Providence, Newport, and New York City, and played a major role in the transformation of Saratoga Springs, New York, from a sanatorium to an elegant watering place.

Morrissey was a brilliant and absolutely honest poker player. In the games he organized for others he was a skillful swindler, unless a more straightforward strategy suited his interest. His resorts were little more than "skinning houses," yet they were magnets for the famous and the fashionable. Morrissey, resplendent in swallowtail coat and white kid gloves, and with his lovely wife on his arm, would work the crowd of paunchy sybarites at his Saratoga Club House night after night. At the height of his fame he was worth millions, but by the time of his death from pneumonia in 1878 his estate had shrunk to less than \$75,000. He had squandered almost everything, not on cards or dice but on stocks and bonds, following the reckless advice of his financial adviser, the old robber baron Cornelius Vanderbilt. Yet he and others like him, by bribing the right public officials and setting a standard for personal style, made gambling seem a fascinating, desirable, and maybe even respectable business.

**A**nd why not, in a society where money was the universal solvent? The gambler's cash was as convertible as the banker's. Indeed, the two occupations could meet on cordial terms, as they did in a possibly apocryphal poker story that came out of Denver in the 1890s. Three bleary-eyed men showed up at a bank when the clerk opened it at 9 A.M. One wanted to borrow \$5,000; his collateral was the poker hand he held concealed in an envelope, which he furtively showed to the bank clerk. The baffled teller

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stammered refusals until the bank president walked in from his own all-night poker game. The loan applicant explained his case again and gave the executive a peek at the cards. The bank president promptly agreed to make the loan. He began piling bundles of twenties on the table in front of the poker players, upbraiding his employee for not knowing good collateral when he saw it. "Remember that in future four kings and an ace are always good in this institution for our entire assets, sir—our entire assets," he told the clerk.

**D**espite the growing acceptability of gambling within the business community, it still stirred intense opposition in many quarters and remained illegal virtually everywhere. Among those provoked was Anthony Comstock, whose name has become a synonym for the overly zealous religious reformer. A Congregational minister from rural Connecticut who rose to prominence in the 1870s, Comstock was obsessed with eliminating such "filth" as birth control advertisements from the mails. He was also given to conducting his own raids on pool-rooms and betting parlors and dragging the outraged occupants off to the police—who often released the prisoners if they had anted up the requisite protection money. This only intensified Comstock's rage and zeal for strict enforcement of the law.

Comstock personified the pinched, parochial version of Protestant reformer. He occasionally staged raids in resorts such as Saratoga, but he reserved most of his energy for those of lower class and darker hue. He assailed policy as "superstition's stronghold. The negro dreams a dream, the Irishman or woman has a 'pre-sintimint,' and the German a vision, and each rushes to the 'dream book,' kept in every policy den, to see what number the vision calls for."

Comstock was convinced that the entire social world surrounding him was on the

verge of disintegration. Young men especially, in Comstock's view, were being exposed to urban temptations that would completely undermine their capacity for self-control. "Business men," he wrote in a warning about horse pool betting parlors, the (illegal) precursors to today's off-track betting establishments, "a clerk who frequents these places, and is brought under these seductive influences, is not to be trusted in office or store. The wild excitement that fires his brain will unman him." Here again we are in the presence of the reformers' great reversal: gambling was the opposite of manliness.

A more refined version of Comstock's critique was offered by Octavius Brooks Frothingham, a Massachusetts Unitarian minister. Writing in the *North American Review* in 1882, he described gambling as "one of those perilous devices by which men try to suffuse romance into their otherwise dull existence, to add zest to their experience, to drag some portion of heaven down to their clay. To procure this, one goes to the wine-shop, another to the house of prostitution, another to the dance, another to lascivious music." But "gambling is the most fascinating because it is the most intense, the most lasting, and the most social. It brings the greatest number of stimulants together, and exerts their power on the most sensitive nerves."

What was at stake, Frothingham believed, was nothing less than the possibility that man was relapsing into beast: "Not only is [the gambler] destitute, as he must needs be, of any perception of the divine import of money as a sign of man's supremacy over the lower spheres of nature, he equally lacks comprehension of its higher social advantages. He is animal and passionate through and through." In this progressive reinterpretation of traditional Christianity, money is no longer a temptation but a sign with "divine import"; it represents the ascent of man over beast. The problem with the gambler, in this view, is

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not that he is obsessed with money but that he cares nothing for it.

**F**rothingham's image of the gambler as beast was part of a broader attack on the popular culture of luck, conducted less in the name of Christian morality than under the banner of human progress. In this crusade, secularists such as economist Thorstein Veblen could participate alongside liberal ministers. In *The Theory of the Leisure Class* (1899), Veblen excoriated the belief in luck, which he found among "leisure class" sportsmen and other American groups as well as peasants and pre-industrial folk generally, as a relic of primitive animism. It was sand in the gears of the industrial machine and therefore an impediment to progress. The key to efficiency was a work force with heads uncluttered by superstition and filled instead with matter-of-fact understanding of cause and effect. Non-gamblers, all.

Sounding like nothing so much as a late-20th-century social scientist discussing "obstacles to modernization in the Third World," Veblen wrote: "This lowering of efficiency through a penchant for animistic methods of apprehending facts is especially apparent when taken in the mass—when a given population with an animistic turn is viewed as a whole." Veblen did not specify which given populations in the United States might be so afflicted, but he gave a hint of how widespread he thought the problem was when he noted that "the gambling spirit which pervades the sporting element shades off by insensible gradations into that frame of mind which finds gratification in devout observances." For Veblen, though, the mechanisms of industrialization worked inexorably; values would evolve to meet the new industrial conditions. Meanwhile, we would live with what a later generation of technological determinists would call "cultural lag."

The vision of a huge plan of progress,

unfolding under the direction of Science rather than God, was the late-19th-century positivist's substitute for older beliefs in providence. The newer deterministic scheme had even less room for notions of chance. In the minds of positivists such as Thomas Henry Huxley (1825-95), Britain's great advocate of Darwinism, to acknowledge any place for chance was to give way to ignorance. Behind every apparently random event lay a mechanical cause-and-effect relationship; scientists just hadn't discovered it yet.

**N**ot everyone was delighted by this new picture of things. William James, the great Harvard psychologist and philosopher, for one, was chilled by the implications of the positivist "block universe." In "The Dilemma of Determinism" (1884) and other essays, he sought to vindicate the persistence of chance in our philosophical—if not our physical—universe. Chance, in James's view, had been loaded with a terrible lot of moral baggage that the poor word couldn't handle. It had been treated as a synonym for irrationality and disorder when all it really meant was "that this is not guaranteed, that it may fall out otherwise." Acknowledge the persistence of chance, reject the block universe of iron law, and you open the door to the possibility of human freedom, of ethics, and even of religious belief. If Providence existed in James's universe, he admitted, it would have to be a little less than omniscient, a little more like a chess master facing an amateur opponent: the master knows how the game will come out (he will win), but he doesn't know all the moves.

For most Americans at the turn of the century, conversations about gambling evoked concerns more immediate than the free-will-versus-determinism debate. Populists, socialists, and social gospel ministers increasingly traced the era's ruinous unemployment, farm foreclosures, and business failures to the parasitical machinations of



*In 1910, amid renewed anti-gambling sentiment, illegal Chicago slot machines met the sledgehammer.*

finance capital. And these often seemed virtually identical to gambling. "When one man bets another that a certain card has such a face, or that one horse will trot a mile in fewer seconds than another, or that wheat will sell for so many cents a bushel 30 days from date, and the loser pays the bet, what exchange takes place?" asked Washington Gladden, a prominent social gospel minister. "The winner gets the loser's money; the loser gets nothing at all in exchange for it. This is gambling. The gambler's business is simply this: to get money or other property away from his neighbors, and to give them nothing whatever in exchange for it." Gladden offered the "something for nothing" critique with a communal twist: the gambler's error was not his failure to work but his refusal to participate in mutual exchange.

The views of Gladden and his allies merged with those of a new generation of

good-government political reformers that arose at about the same time. These reformers saw corrupt politicians and businessmen as only barely distinguishable from prominent local gamblers such as Morrissey of New York and Mike McDonald of Chicago. From the 1870s to the '90s, McDonald ran a magnificent (though technically illegal) palace of chance he called "The Store" at the corner of Clark and Monroe streets. McDonald, who coined the phrase (usually attributed to P. T. Barnum), "There's a sucker born every minute," developed a devious formula for success: his dealers and croupiers systematically cheated the fat folks with cash but no influence while playing fair with powerful government officials (including his pals Mayor Carter Harrison and Governor John Altgeld) and professional gamblers who could spot a scam.

The Store's career was brought to a

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close by two events: the assassination of Mayor Harrison on October 28, 1893 (by the proverbial "disgruntled office seeker" who always seemed to be lurking in the shadows of Gilded Age politics), and the creation of a reform-minded Civic Federation inspired by a muckraking exposé by the British journalist William T. Stead. The bankers, ministers, and businessmen behind the federation were full of good-government fervor, and one of the group's first achievements was to harass the Store so constantly that the owners finally closed the place.

**T**he rise of organizations such as the Chicago Civic Federation marked a key transitional moment in the public debate over gambling. A new breed of corporate executives and public officials was emerging around the turn of the century, inspired not only by genuine humanitarian sentiments but by a new and more encompassing vision of self-control and social efficiency. Some progressive reformers did devote themselves to the pursuit of public health and social justice, launching campaigns against adulterated food, child labor, and other evils. But many were preoccupied with personal morality. These moral reformers helped make the Progressive era (1900–1916) a period of national self-purification dominated by movements to establish stricter taboos: the Prohibition movement, the first "war on drugs," and a variety of crusades against gambling and municipal corruption. The body and the body politic were alike in need of purgation—in the name not only of morality but of rational efficiency as well.

The managerial world view defined society as a smoothly functioning system, with no room for randomness or unpredictability. ("The chief work of civilization is to *eliminate chance*," the J. Walter Thompson advertising agency asserted in a 1909 pamphlet.) The managerial scheme of things allowed play but only when it was reduced to "recreation"—something satisfying but fundamentally

unserious, a sport or hobby that would re-create the player's capacity to perform where it counted: in the workplace.

Gambling did not fall into this category. The first two-thirds of the 20th century were hard times for sanctioned gambling, maybe the hardest in American history. Protestant moral revulsion persisted and even intensified as big-time gambling became increasingly associated with swarthy Mafiosi and labor racketeers. By the 1950s, clinical idioms reinforced moral language; an emergent psychology of adjustment identified gambling with neurotic compulsion. "I submit that the gambler is not simply a rational though 'weak' individual who is willing to run the risk of failure and moral censure in order to get money the easy way, but a *neurotic with an unconscious wish to lose*," the psychoanalyst Edmund Bergler wrote in 1958. The gambler was labeled pathological as well as immoral.

Still the games went on. Men (and, increasingly, women) of all classes and conditions held their private poker nights. The urban subculture of luck flourished: shiny-suited bookies taking bets and shooting craps; policy players paying their hope-maintenance tax to the daily numbers runner; ordinary guys like Felix and Oscar of *The Odd Couple* gathering nonchalantly for their Friday night poker game. The more affluent middle and upper classes headed for exotic gaming locales: Havana and (especially after World War II) Las Vegas. Scenes of tropical decadence or *faux*-Oriental splendor reinforced the otherness of the gambling experience for tourists, muffling any lingering prudential doubts and reminding them that this was no place like home.

**Y**et, by the early 1970s, gambling had begun to return to everyday life. State governments, led by New York, revived lotteries (1967) and off-track betting (1971); Vegas was increasingly accessible in an era of frequent flying; and in 1978 Atlantic City inaugurated the return of legal casino gambling to the East

## TAKING CHANCES

Percentage of Americans favoring legalized casino gambling (1992):  
in their own state to raise revenues: 51 percent  
in a major city in their own state: 40 percent  
on Indian reservations: 42 percent  
on riverboats: 60 percent

Percentage of Americans saying they had gambled in the past year:  
in 1950: 59 percent  
in 1989: 71 percent

States that have no legalized gambling of any kind: *Hawaii and Utah*

State lottery sales:  
in fiscal 1990: \$20 billion  
in fiscal 1995: \$32 billion

Number of Americans who play the lottery:  
every week: 30 million  
occasionally: 70 million

Amount spent by states on lottery promotion in  
fiscal 1994: \$380 million

Annual lottery sales per capita:  
Massachusetts: \$441  
California: \$66



Approximate percentage of revenues returned as prize money:  
by the average Las Vegas slot machine: 95 percent  
by the average state lottery: 50 percent

States with the highest levels of gambling per capita: *Nevada* (\$72,111), *Mississippi* (\$6,620), *New Jersey* (\$4,555)

States with the lowest levels of gambling per capita: *North Carolina* (\$5), *South Carolina* (\$23), *Wyoming* (\$24)

Number of Mashantucket Pequot Indians: 300 (approx.)

Number of slot machines at the Pequots' Foxwoods Resort Casino: 3,864

Average wagering budget of a Las Vegas gambler: \$479.77

Proportion of current problem gamblers: 1.2 to 4.8 percent of the adult population (in eight states surveyed since 1991)

Estimated volume of illegal betting on sports, horses, numbers, etc.: \$43 billion

Arrests for illegal gambling activities (1993): 15,336

Number of marriages performed per hour in Las Vegas: 12

Price of a personal appearance by "Elvis" at wedding: \$100

Sources: *The Public Perspective* (Jan.-Feb. 1994); *North American Gaming Report 1995*; *La Fleur's Lottery World*; the *New York Times* (various editions); California State Lottery; *Gambling in America* (1992), by Bertha Davis; *International Gaming & Wagering Business* (various editions); Las Vegas Convention and Visitors Authority; Gemini Research; Federal Bureau of Investigation; *Casino Magazine* (May-June 1995).





*The gambling spirit is everywhere in American life, from TV game shows such as Wheel of Fortune to newspaper sports pages, where point spreads and other information used in illegal betting are printed.*

Coast. Within less than a decade, a national casino boom was underway.

What is striking about the contemporary revival of legalized gambling is its ordinariness—its integration into everyday life, even “family entertainment.” Offering everything from magic shows to acrobats and performing dogs, resort hotels such as Circus Circus in Las Vegas have begun to breach the citadel of middle-class respectability. One of the strongest arguments against gambling has always paralleled arguments against alcohol: both vices, it was alleged, undermined the family. Now, in the new world of casino gambling, unthinkable scenes are being enacted daily (un-

thinkable, at least, to Comstock or Cronkite)—kids are capering about within yards of the spot where grandma is pumping quarters into a slot machine.

How could promoters reverse long-standing moral conventions in less than two decades? At this point, we can only speculate. The supply-side part of the explanation would emphasize de-industrialization and the shifting of investment capital in the United States from manufacturing to service industries, including casino gambling. As organized crime has made room for “legitimate” investors, the whole scene has gradually come to seem more sanitized. De-industrialization has also helped depress personal incomes and state tax revenues, especially in the Northeast, bringing the lottery back into favor as a money-raising strategy. Public hostility to taxes has also increased the allure of lotter-

ies and other forms of legalized gambling.

On the demand side, one could say that there is a “gambling instinct,” or propensity to take risks, embedded in “human nature” that is now finding new outlets. But a fuller explanation would emphasize the possibility that cultural values have changed during the last several decades. It is possible to see this change as a decline, for instance, an abandonment of the work ethic that built this country. Despite the mantralike quality of this argument, there is something to it. No one can deny that, for many of the new casino patrons, gambling has become an addiction or a destructive compulsion—an anxious, desperate perversion of the spirit

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of play, with calamitous consequences for gamblers and those around them. The rise of Gamblers Anonymous tells part of the story, but one need only saunter by the casinos in the early morning hours and watch the hollow-eyed habitués pump up their VISA card indebtedness on the ubiquitous cash machines to be persuaded that the problem is real. This is not necessarily a way of life we want to encourage.

Yet, to complicate the notion of decline, we should also consider the connections between cultural and economic history during the past 20 years. De-industrialization, the export of capital and jobs overseas, the return of a "root, hog, or die" mentality to the center of political debate—all these developments have led to a shrinkage of the middle and upper working class, as well as a contracting sense of the possibilities for upward mobility. There are fewer opportunities, but there may also be fewer inhibitions, and greater need for the maintenance of hope. If gambling seems like "action" in a life going nowhere, and kids eat free, then why not head for The Mirage? A similar argument applies to the retirees who flock to casinos. Why shouldn't bored oldsters, weary of facing one more trek around the mall, find in the slots a bit of a thrill, an experience of play?

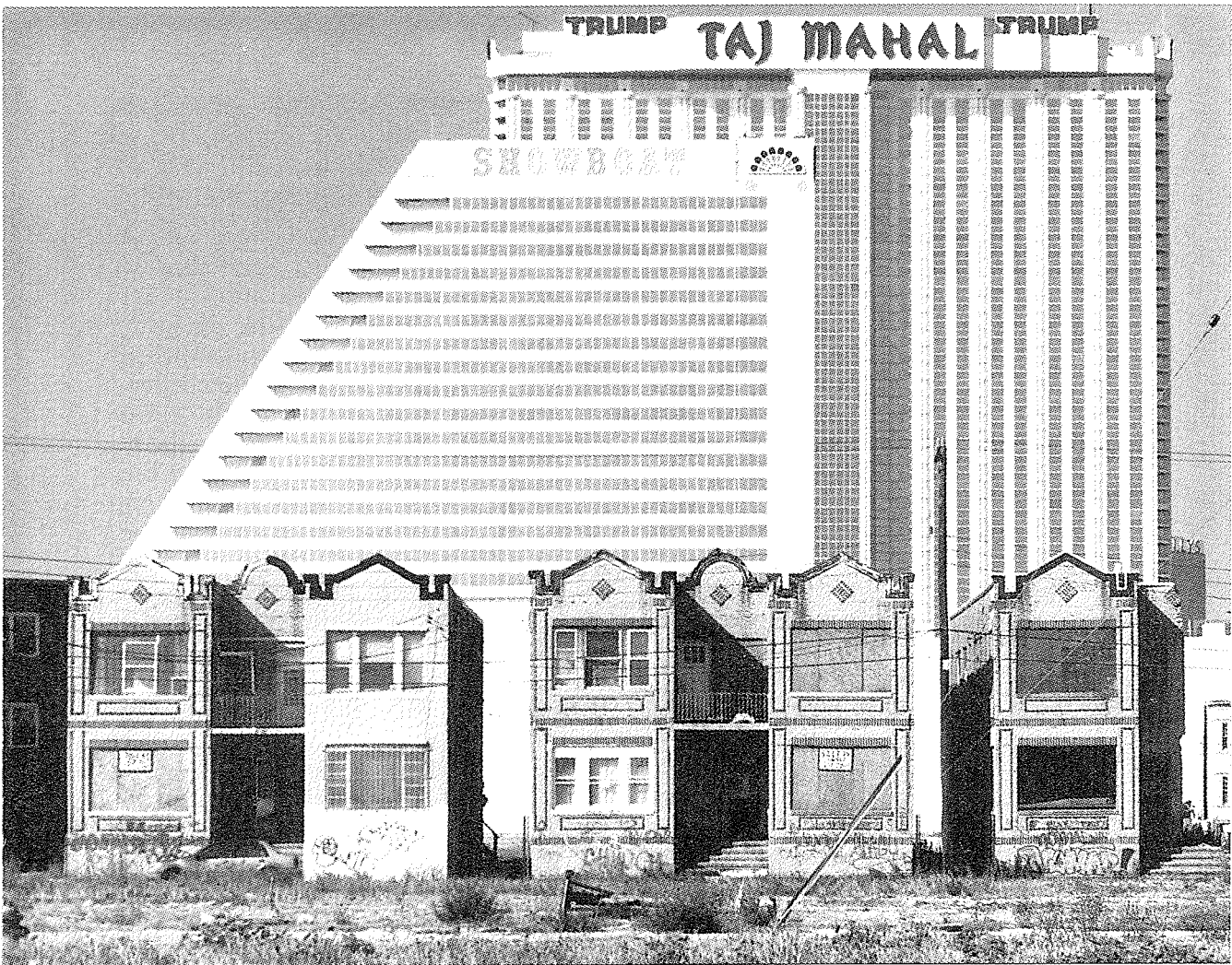
Gambling can be pathological, but it can be many other things besides. One of the main things it can be, as writers such as Robert Hermann and David Spanier have suggested in recent years, is play. But play is not just a moment of spontaneity snatched from routine. To glimpse a broader and more complex conception of play, we have to listen to the participants in the World Series of Poker, interviewed in downtown Las Vegas by the journalist A. Alvarez and reported in *The Biggest Game in Town* (1983).

These poker players were mentally ag-

ile enough to calculate the odds for almost any hand in any situation; they embodied the calculation and coolness that has always characterized gambling in its agonistic mode. Yet they had little but condescension for limited-stakes poker as "an unimaginative mechanical game." It is merely "a disciplined job," said Jack Straus. "Anybody who wants to work out the mathematics can be a limit player and chisel out an existence." But high-stakes poker brings out the bluffer, the feinter—the player—in gamblers such as Straus. "If there's no risk in losing, there's no high in winning," Straus said. "I have only a limited amount of time in this world and I want to live every second of it. That's why I'm willing to play anyone in the world for any amount."

**T**his is the quest for intense experience, but something more: a fine, careless disregard for utilitarian standards. As Alvarez points out, in gambling the test of a true professional is insouciance in matters of money—handling big losses nonchalantly. It's only a game.

The willingness to reduce (or raise) money to the status of mere counter in a game returns us to the largest significance of gambling. The gambler inhabits a world where prudential economic values have been inverted. When the countervalues are articulated, the results can be arresting. Consider the advice of Harlem Pete, in a dream book published in Philadelphia in 1949: "If you want to be rich, Give! If you want to be poor, Grasp! If you want abundance, Scatter! If you want to be needy, Hoard." Harlem Pete's world view embraces the paradox of giving: "The more I give to thee," says Juliet to Romeo, "the more I have." It is a world view profoundly at odds with one based on rational self-interest. It also sounds a little like Christianity.



*Dreams and reality remain in uncomfortable contrast 17 years after gambling came to Atlantic City.*

# GRAND ILLUSIONS

BY ROBERT GOODMAN

**T**he United States has embarked on an unprecedented experiment with legalized gambling. At times in the past, everything from lotteries to roulette was tolerated and even exploited for public revenues.

But recognizing the moral and material hazards involved, public authorities generally acted cautiously, subjecting such ventures to tight controls. Today, gambling enterprises of various kinds, including casinos and riverboats, are not only

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permitted but actively promoted by many state and city political leaders as a magic bullet for ailing local economies. Indeed, only a belief in magic can explain the willingness of so many people to accept the proposition that legalized gambling can provide jobs and tax revenues at virtually no cost to society. We are only beginning to recognize the real costs.

The rapid spread of legalized gambling has been hard to miss in recent years, insistently announcing itself through clamorous advertisements for lotteries and casino outings. Yet the numbers are still startling. As recently as 1988, casino gambling was legal in only two states: Nevada and New Jersey. By 1994, casinos were either authorized or operating in 23 states, and legalization was being proposed in many others. Casinos sprang up on more than 70 Indian reservations, thanks in large part to powers granted the tribes under the federal Indian Gaming Regulatory Act of 1988. The state of Mississippi alone was home by last year to one million square feet of riverboat casinos—in the four years since legalization Mississippi acquired more gambling space than Atlantic City, New Jersey, did in 16 years. Within three years after the introduction of casino riverboats in Illinois, per capita spending on gambling in that state doubled.

Between 1988 and 1994, casino revenues in the United States nearly doubled—from \$8 billion to about \$15 billion annually. Overall, Americans wagered \$482 billion in casinos and other legal betting venues in 1994, a jump of 22 percent over the previous year. Gambling has expanded at all levels—and has even brought a rise in attendance at church bingo games. The new gambling outlets were impressive for their variety: electronic slot machines in rural South Dakota bars; imitation Wild West casinos in old Colorado mining towns; riverboats along the Mississippi River, from the distressed

industrial cities of Iowa to the Gulf of Mexico; and gambling establishments on Indian reservations from coast to coast. New Orleans is now building what promoters tout as the world's largest casino, while the mayors of Chicago, Philadelphia, and other big cities enthusiastically embrace gambling proposals.

Casino companies often enjoy economic advantages that are available to few other businesses. Since they are usually granted exclusive government franchises, they are able to generate short-term profits on a scale that proprietors of other businesses can only dream about. Earnings of five to eight percent of revenues are the norm for most American businesses. In the gambling industry, however, yearly profits between 30 and 50 percent are not unusual. It is not extraordinary for companies to be able to pay off their total investments in one or two years. One Illinois riverboat company reportedly tripled the return on its investment in just six months.

More and more Americans are being persuaded to try their luck. According to casino industry sources, the number of American households in which at least one member visited a casino doubled between 1990 and '93—from 46 million to 92 million. More than three-quarters of this upsurge was the result of people visiting casinos outside Nevada and Atlantic City. In 1994, gambling industry leaders and other business observers were predicting even more spectacular growth. "By the year 2000," said Phil Satre, president of Harrah's Casinos, one of the world's largest casino companies, "95 percent of all Americans will most likely live in a state with legal casino entertainment." By then, according to Mark Manson, a vice president of Donaldson, Lufkin & Jenrette, a stock brokerage firm, lotteries, casinos, and other kinds of legal gambling "could

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surpass all other forms of entertainment in terms of total revenue." Manson concluded that "the movement towards gaming appears unstoppable for the foreseeable future."

**T**he amount of money in play is huge. Between the early 1980s and the early '90s, betting on legal games, including the lotteries that were conducted by 37 states and the District of Columbia, grew at almost twice the rate of personal incomes. Last year, legal gambling in the United States generated nearly \$40 billion in revenues for its public- and private-sector proprietors.

What has made gambling attractive to politicians and local business leaders is the prospect of new jobs for workers and easy money to fill the coffers of local government and business. An activity that was once feared for its ability to sow moral corruption, its corrosive impact on the work ethic, and its potential to devastate family savings has suddenly been transformed into a leading candidate to revive the fortunes of towns and cities across America. In Chicago, casinos were proposed to bail out the city's overbuilt hotel sector. In Gary, Indiana, they were supposed to offset declines in a once-booming steel industry. In Detroit, they were touted as a way to replace lost jobs in automobile manufacturing. In New Bedford, Massachusetts, gambling was going to provide jobs for fishing industry workers thrown out of work by the exhaustion of Atlantic fisheries.

Advocates eagerly seek to cleanse gambling of its traditional connotations. It certainly looks on the surface more reputable than it once did. An industry created

by the likes of "Bugsy" Siegel and Meyer Lansky and financed with laundered drug money and other ill-gotten gains is now operated by business school graduates, financed by conglomerates, and listed on the New York Stock Exchange. "Much of the moral argument against legalization is based upon the belief that gaming is mainly about money or greed," Harrah's president Satre told the National Press Club in 1993. "It is not. It is about entertainment. . . . It is a true social experience. And there are no gender-based, race-based, or physical barriers to access." Politicians and others have joined in the effort to de-moralize the debate over gambling. No longer do they speak of "gambling," with all its unsavory overtones, but in euphemisms such as "gaming" and "casino entertainment."

**L**egalization tends to have a snowball effect. When one state allows games of chance, other states have a greater incentive to do so as well. If your citizens are going to gamble anyway, why not at least reap some of the benefits by letting them do so at home? In 1985, Montana became the first state to allow slot machines in bars, effectively creating minicasinios throughout the state. Four years later, South Dakota's legislature gave its state lottery agency authority to install "video lottery terminals"—which in reality are little more than slot machines—in bars and convenience stores. Soon afterward, Oregon, Rhode Island, West Virginia, and Louisiana legalized similar machines. By 1991, Oregon had also legalized betting on sports teams and electronic keno machines through its state lottery.

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Iowa took a much bigger leap into gambling in 1991 when it became the first state to legalize casino gambling on riverboats. To ensure that the floating casinos would remain low-key tourist operations, the state government limited stakes to \$5 per bet and total losses of any player to \$200 per cruise. But these restrictions were soon dropped, after politicians in Illinois, Mississippi, and Louisiana authorized riverboat gambling with unrestricted betting. Iowa had to keep up with the competition.

**B**y late 1994, however, there were signs that the days of expansion without end were over. The casino boom of the early 1990s was not built on a broad base of popular support for legalization. The laws were changed in response to unprecedented, well-financed campaigns by the gambling industry, countered only by the underfunded, ad hoc efforts of opposition groups. But as casinos proliferated and their social and economic costs became more widely recognized, more and more communities rallied to defeat them.

Where statewide referendums have been held on casino gambling, voters have mostly voted no. In 1994, despite the gambling industry's promises of riches to come, not a single one of the four state casino referendums passed. (In seven other states where gambling was already legal, measures to expand it got mixed results.) In Florida, casino companies mounted their costliest promotional campaign ever, yet the voters rendered a decisive no. Where casino gambling has been legalized, it usually has been by direct action of state legislators or by legislature-approved referendums on the town, city, or county level. When the target is a single community starved for jobs and tax revenues, the industry has regularly been

able to gain approval.

Yet Americans appear to be recognizing that the promises made by gambling proponents are rarely if ever realized by cash-strapped cities and towns. The municipalities' hopes are based largely on what happened in Las Vegas—a remote desert city that for decades held a virtual monopoly on gambling. The city was able to draw huge numbers of tourists who spent freely, not only at the tables and slots but in local hotels, restaurants, and stores. Something at least remotely similar has been achieved at the reservation-based casinos. The Indian reservations have several things in common with early Las Vegas, notably, remote locations and no existing economic bases to speak of. They have, in short, nothing to lose.

But there aren't likely to be any more Las Vegas-style success stories. With the proliferation of casinos around the country, the nature of the game has changed. Cities and towns entering the gambling market now face fierce competition, and they will be hard-pressed to draw patrons from outside their regions. Most of the people pumping money into their slot machines will be local residents. Instead of bringing in new dollars from outside the local economy, gambling will siphon away consumer dollars from other local businesses. At the same time, these communities will be saddled with enormous new costs as they deal with the economic and social consequences of open gambling. Not the least of these costs is an increase in the local population of chronic gamblers, who bring with them not only their personal tragedies but a host of related problems, from bad debts and family breakups to crime, often of the white-collar variety. Estimates of the annual private and public costs imposed by each problem gambler range from my own \$13,200 (in 1993

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## THE GLOBAL GAMBLING EXPERIMENT

**T**he explosion of lotteries, casinos, and other forms of legalized gambling in the United States has had echoes abroad—faint in some places, louder in others. Casinos have opened for business everywhere from Russia to Malaysia to Australia. If casino revenues per capita are a guide, then Australia and Spain are the world's biggest gambling havens. But in most respects, the United States enjoys the dubious distinction of leading the world in legalized gambling.

The same mixture of progambling influences is at work overseas as in the United States: the gradual relaxation of community attitudes toward minor vices and "victimless crimes" and the weakening of religious strictures. Money also matters. Dreams of plentiful tax revenues and tourism are hard to resist. A single government-sponsored casino launched in late 1989 in Winnipeg, Canada, grossed nearly \$20 million in its first year. And the likelihood that some other country will snap up any opportunities left unexploited makes gambling that much easier to accept.

Lotteries are less controversial than casinos. The German and Dutch national lotteries date from the Middle Ages; those in Spain, Portugal, and Mexico have been in operation since the 18th century. Elsewhere there have been cycles of legalization and prohibition. Banned in many European countries during the 19th century, lotteries were revived after World War I, often as a means of paying off war debts, and have remained in place ever since.

Last year, lottery sales neared \$100 billion worldwide, up 11 percent from the previous year. The United States led the lottery world, with more than one-quarter of those sales. Germany was a distant second, with \$9.2 billion in sales, followed by Spain and Japan.

What's new is legalized casino gambling in places outside long-established resort areas such as the Caribbean or Baden-Baden in Germany. Monte Carlo, chartered by Monaco's Prince Charles III in 1856, is the archetype of the traditional casino resort. Catering to a moneyed elite,

it was created with the express purpose of attracting foreign money to an area with few economic assets. It was largely off-limits to local residents. The idea was to harvest cash from outsiders without breeding the social ills often associated with gambling.

Over the years, however, scholarly research generally has not established firm correlations between gambling and crime. Indeed, gaming advocates have argued, prohibition can breed crime. When gambling was outlawed in Sweden, for example, many Swedes bet illegally on English soccer games. When gambling was legalized, in 1930, the bookies were wiped out (and Sweden kept more of its kronor at home).

The loosening of the crime correlation has also helped fuel the recent casino fever. Casinos have been legalized (with various restrictions) in many countries, including South Korea (1967), Australia (1973), the Philippines (1977), Spain (1978), New Zealand (1990), Canada (1990), and South Africa (1995).

**T**he old, Las Vegas-style "sin city" existing in gaudy isolation from the rest of society is largely a thing of the past. Many of the new casinos around the world are found close to major cities. Others are located in the heart of the city. Yet access by the local population still tends to be constrained or prohibited.

Moscow, for example, is home to a wild and woolly downtown gambling scene. During the communist era, the state placed severe restrictions on the gaming business, allowing only a few slot machines in tourist hotels. Today, however, about 100 privately owned casinos do a thriving business in Moscow, catering mainly to foreigners. But many of the new emporiums have ties to organized crime.

Southeast Asia, with a long history of tolerance, is another hotbed of gambling. In largely Muslim Malaysia, for example, the Qur'an's edicts against games of chance have been accommodated in unusual ways. After independence was attained in 1957, the government had little hope of stamping out the horse-race betting es-

established during British colonial rule, the numbers games popular in the tin mines, or the gambling at hill-station enclaves. In the 1980s, Kuala Lumpur opted to regulate gaming, privatize Malaysia's anemic state-run lotteries, and tax the trade. Ethnic Malays are barred by law from the country's lone casino, the Genting Highlands Resort, located 35 miles outside of Kuala Lumpur. But their ethnic Chinese countrymen—one of whom owns the company—are free to mingle with the foreigners at the tables and slot machines. In a new twist on the old idea of tapping foreigners for gambling revenues, Malaysia has become a home base for companies that operate only in other countries. Malaysia's five main gaming groups account for more than 10 percent of the Kuala Lumpur stock exchange's value.

Indonesia also has few qualms about allowing its citizens to invest in offshore ventures—even if they are not at all far offshore. President Raden Suharto's government banned casinos in 1981

after protests by Islamic groups, but in 1993 a group of investors opened an exclusive "boutique" establishment on Christmas Island, an Australian outpost off Java. Meanwhile, the Suharto regime has also come under intense pressure from Islamic groups to pull the plug on a national lottery launched in 1987.

None of the world's major cultures rival that of the Chinese in its tradition of openness to games of chance. A belief in luck is deeply embedded in Chinese culture, as is the practice of social gambling. Games of *fan tan*, *sic bo*, and *pai gow* (played for small sums with beads, dice, and dominos, respectively) are time-honored pursuits. Mahjong is a favorite family game.

Gambling was targeted for eradication after the communist takeover in 1949, but only in 1992 were all types of gaming (except the five-year-old national lottery) officially banned, a reaction

to the increasingly open pursuit of the old pastimes in the countryside. Efforts are already underway to legalize casinos in China. Yet according to William Eadington of the University of Nevada at Reno, the world's most gambling-tolerant culture is governed by one of its most gambling-resistant regimes. Beijing is deeply uneasy about the social impact of gambling—the days when gambling debts reportedly consumed up to one-third of the average farm family's income in some areas have not been forgotten. (Casino gambling is also illegal in Taiwan—and Japan.) If legalized gambling comes to China, Eadington predicts, it will likely be limited to isolated Vegas-style "sin cities."



If China is one step behind the worldwide trend, Britain may be one step ahead. There, gaming of most kinds received the sanction of law in 1963. But the rousing success of public betting and the emergence of organized crime set off alarms, and the clock was partially turned back in 1968. Gambling is permitted

but considered a social problem to be repressed. Through devices such as zoning restrictions, a 48-hour waiting period for membership in a gaming club, and a prohibition on live entertainment, gaming has been effectively contained—although public enthusiasm for the new national lottery has stirred talk of loosening up again.

All of the world's debates over legal gambling, however, may soon be rendered irrelevant by technology. Earlier this year Internet Casinos, based in the Caribbean, went on-line with the first full-service "virtual casino" on the Internet. Armed only with a personal computer and a modem, anybody in the world with a credit card and a hankering for action can call up a full sports book and 15 casino games in 10 different languages. Access is now restricted by law. But who is willing to bet that such prohibitions will last?



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dollars) up to \$52,000. A mere 100 additional problem gamblers, in other words, exact a monetary toll of more than \$1 million.

**T**he sad lesson of gambling as an economic-development strategy is that it creates far more problems than it solves. It doesn't even deliver the goods it promises. In Atlantic City, for example, about one-third of the city's retail establishments shut their doors during the first four years after the casinos' arrival. Many could not compete with the low-price restaurants and services offered by the casinos to lure customers. In 1993, unemployment in Atlantic City was double the state average.

One of the worst long-term consequences of legalizing gambling is the difficulty, if not impossibility, of undoing the decision. New gambling ventures create powerful new political constituencies that fight to keep gambling legal and expanding. These operations can radically alter the balance of power in state and local politics.

"Casino gambling is not a 'try it and see' experiment," observes Stephen P. Perskie, the politician who led the battle to legalize gambling in Atlantic City, and a former chair of New Jersey's Casino Control Commission. "Once the casino opens and the dice begin to roll, gambling creates an instant constituency. People depend on it for jobs. Governments depend on it for revenues." Perskie, who went on to become vice president of Players International, a casino development company, elaborates: "You've got economic realities created. You've got infrastructure investments, you've got public policy commitments. . . . The public official who will stand up and say close that casino and put those 4,000 people out of work is somebody I haven't met yet."

Once the novelty of a new casino or a new game wears off, as it inevitably does,

revenues tend to fall or flatten, forcing legislators to look for new gambling ventures and gimmicks to keep the money coming in. And as enterprises suffer lower revenues from increased competition or fading consumer interest, they turn to government for regulatory relief and sometimes direct subsidies.

Even in New Jersey, where the casino industry is prohibited by law from lobbying, casino operators wield enormous political power. The state's experience offers an instructive example of the ways in which gambling regulations weaken over time. In Atlantic City, the original rules governing casinos included regulations that sought to reduce problem gambling. They prohibited 24-hour gambling, restricted the amount of floor space that could be dedicated to slot machines (considered by many experts one of the most addictive forms of gambling), outlawed games such as electronic keno, poker, and sports betting, and created rules for jackpots and prizes designed to ensure that players wouldn't be taken advantage of too outrageously. But over time, especially as competition from casinos in other states increased during the early 1990s, casino companies pressed for relief from these restrictions. Gambling got its way. By 1994, all these rules had been dropped, with the single exception of limits on sports betting. (New Jersey's Casino Control Commission ruled that it simply had no legal power to change these rules because federal law restricts sports betting.)

New Jersey's powerful casino constituency was the force behind a number of public projects that were designed to restore Atlantic City's luster as a tourist destination—and thereby bolster the gambling business. In 1993, the state announced plans to spend about \$100 million to expand Atlantic City's airport, rebuild the city's convention center, and beautify the approach roads to the casinos and their surrounding Boardwalk areas.



*Las Vegas increasingly competes with Disney World as an all-inclusive family resort. It is not uncommon to see couples shepherding children to theme parks or pushing baby strollers down the Strip.*

The plans had little to do with reversing the massive deterioration of the other Atlantic City beyond the Boardwalk. In fact, they were aimed at concealing the city's mean streets from casino visitors. As an article in the *New Jersey Casino Journal*, a voice for local casino owners, explained,

“The need to negotiate passage through a depressed and deteriorated urban war zone is not especially conducive to a memorable entertainment experience.”

The public debt that many cash-poor communities must assume to build or improve boat docks, parking facilities, high-

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ways, water and sewer systems, and other infrastructure creates problems of its own. The hope is that a continuous stream of revenue from taxes on casino income will help pay off this debt. But the community is also in a trap. To close down or curtail these operations if they falter or prove disruptive would be almost impossible—indeed, the community has every incentive to promote even more gambling.

Some of the biggest costs of gambling expansion are the hardest to quantify. They are what economists refer to as “opportunity costs.” The more energy government officials and business leaders expend on gambling as an economic development strategy, the less they can devote to the cultivation of other kinds of business enterprises that may be less flashy and more difficult to establish. Over the long term, such businesses would almost certainly be more beneficial to towns and cities than those built on the exploitation of the gambling itch.

If gambling ventures continue to proliferate and expand, the political power of the gambling industry will grow as well, making it increasingly difficult to control gambling. A taste of what may come was provided in the spring of 1994, when the

Clinton administration proposed a four percent federal tax on gross gambling revenues to fund its new welfare reform programs. The industry’s response was swift and forceful. Thirty-one governors promptly wrote to the president complaining of the potential damage to their gambling-dependent state budgets. Governor Bob Miller of Nevada flew to Washington and presented President Clinton with a scenario of silent casinos and layoffs by the thousands in the gambling industry. Owners of horse and dog race-tracks lobbied Congress with similar visions of economic devastation. The administration quickly withdrew its tax proposal.

**T**he seed planted in the Nevada desert some 50 years ago is now bearing very dangerous fruit indeed. America’s unprecedented gambling boom has created grand illusions worthy of the gaudiest and most grandiose Las Vegas casino. Only in one place could the notion flourish that a magical way could be found to create new jobs, generate fresh revenues for public coffers, and revive cities at virtually no cost: a fantasy land.

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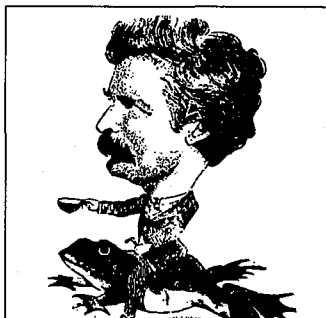
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*Playing roulette in Puerto Rico, 1949*

# THE JOY OF GAMBLING

BY DAVID SPANIER

The action is everything, more consuming than sex, more immediate than politics, more important always than the acquisition of money.

—Joan Didion, *The White Album*

What if you met a man in a bar this evening, after you quit work for the day, and he said (as people sometimes do), "Hey, let's toss a coin for a dollar, heads or tails."

"Right here in front of everybody?"

"Why not!"

"Okay," you might say, if you were in that sort of mood. "Let's go for it!"

But then the man adds: "Just one little thing about this toss I want to explain before we start. When I win, you lose your dollar. When you win, I'll pay you only 99 cents."

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It's not all that different, is it, one penny on the toss? But you would be out of your mind to take on such a proposition, wouldn't you? Especially if your spouse or, worse, your employer, happened to be watching. You would be marked down as an idiot if you couldn't handle your money any better. A dollar to 99 cents. Why do it? It makes no sense.

But that is exactly what all of us do when we gamble, when we cross the threshold between workaday life and the fantasy realm of a casino. In fact, if the house gets only one percent of an edge or advantage (as in certain bets at dice), gamblers consider it a good bet. If they can get even money, one for one on their stake, they think it's great value, as in certain bets at dice.

**I** have a confession to make, right at the start. I am not a gambler. Not any more, that is. I have learned the hard way, as most of us do, that you cannot beat the laws of probability.

On my first visit to Las Vegas, as a freshman on vacation from Cambridge University, I came prepared with a system for roulette. My idea was to wait for a series of reds or blacks to come up, six in a row, and then start betting on the other color, doubling up after each losing spin until I hit a winner. So after six reds, say, I would start betting black: \$1, then \$2, \$4, \$8, \$16, \$32, \$64, \$128. For the system to lose, the same color would have to come up 15 times in a row, which seemed highly unlikely. My only anxiety, as I recall, was that the initial run of six consecutive reds or blacks would take such a long time to appear that I might get bored waiting.

I need not have worried. After a couple of hours logging the wheel, I was ready to launch my system. The first spin went down, the next spin went down, and the next, and the next, with terrifying speed, as red kept repeating. Suddenly, like a flash of light striking a philosopher, the realization penetrated my fevered brow. This particular roulette wheel did not give a damn about me and my

pathetic hopes of fortune. It was oblivious to the fact that I had traveled 7,000 miles across an ocean and most of a continent to test my luck. If I was to follow my system, I had to bet \$256 on the next spin. I also had six weeks of summer vacation to pay for. The croupier was eyeing my precarious tower of chips like an explosives expert about to dynamite a building. I pulled back—just in time.

Nearly everyone makes this mistake in gambling, which is to confuse the short-term outcome with long-term probability. On every individual spin, the probability of red or black is the same, 50:50. And over a million spins, reds and blacks will virtually even out (ignoring zeros). But within that series, there will be many short-term fluctuations on either side. Fourteen reds in a row is no big deal.

It is good to learn this lesson young. When I go to Las Vegas now, I don't even see the slot machines. I feel almost guilty—considering the immense and multifarious efforts the casinos make to tempt the visitor to gamble—that I do not spend a dime on casino games. My passion lies elsewhere. I play poker, a game of skill, albeit with a big gambling element in it. What I like is the ambience of gambling, particularly casino gambling, with its day-into-night and night-into-day sense of anything-goes-and-here-it-comes release from the conventions of ordinary life.

**E**veryone takes chances, every day, although people do not consciously classify the process as gambling. Every time you drive, every time you buckle up in an airplane seat, one might say every time you cross the road, the risk is there. These are unavoidable risks in the modern world and, for most people, so habitual as not to be worth worrying about. *Che sera sera*. These days, there is danger in riding the subway, danger in visiting New York's World Trade Center, danger even in visiting a government building in Oklahoma City, let alone in traveling abroad.

Other sorts of risks, such as those inher-

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ent in active sports such as skiing, mountaineering, horseback riding, sailing, and football, are more easily avoided. The pleasure of doing it is what gets people involved. That pleasure far outweighs any vestigial concern about something going wrong. Besides, regardless of the sport, everyone involved has had at least a degree of initial training to prepare himself or herself and to guard against accidents. The odds of coming through safely are tilted well in your favor.

**E**ven in matters of investment, such as taking out a life insurance policy, which means, in effect, betting on your own longevity, the gamble is a studied risk, founded on actuarial tables and the prudent desire to protect your family. The insurance company, working on the past record of hundreds of thousands of instances, calculates the probability of a particular misfortune befalling the applicant, and sets its premium accordingly, adding a healthy margin to cover operating costs and allow for a profit.

The insurance companies are not really gambling themselves, because they are operating on the basis of statistics that virtually guarantee them a positive return. Yes, but then we remember Lloyd's of London. Even the best-regulated risks sometimes come unstuck. I think it was James Thurber who observed: "There is no safety in numbers; there is no safety anywhere."

Casino gambling is risk taking in its purest form. The participants willingly and deliberately get involved, knowing the chances are not in their favor. No one has to do it. All players are aware that the odds are against them. The odds are set out in all the books, even in government reports on gambling. The question is: why do people still do it?

It may seem a paradox to insist that

money is not what gambling is about. Of course, money is the essence of gambling and the way you keep score. Games of chance without money involved simply do not work. And you cannot gamble in a casino without money. Money is the fuel of gambling; it drives it, as gasoline powers a car. But the pleasure of driving a car is not about gas. It's about speed, style, movement. Gas is only what makes the car run. In that sense, the real motives behind gambling are to be sought elsewhere.

Play, the enjoyment of play, is a part of human nature. It is an instinct as old as the sex drive, as powerful as hunger and thirst, as basic to the human condition as survival. Gambling is a heightened form of play. That is why so many people like gambling, and spend so much money on it, not just all over the United States now that the brakes are off but in virtually all societies in the modern world.

The appeal of gambling, to my mind, is in the *action*. The phrase "where the action is" derives from Damon Runyon's story, "The Idyll of Miss Sarah Brown" (1947), which celebrates the exploits of gambler Sky Masterson. The immortal Sky Masterson got his name, you may remember, because he liked to bet so high, on any proposition whatever, that he would bet all he had. "The Sky is strictly a player. . . . As far as The Sky is concerned, money is just something for him to play with and the dollars may as well be doughnuts as far as value goes with him."

Action expresses, in a word, the whole gambling experience. It means playing with chance, taking a challenge, the excitement of living in top gear. In gambling, this is the payoff. In our routinized urban lives, most of us are cogs in the wheel of work, taxes, and social and family obligations. Gambling offers a fast way out. On the green baize, or

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*David Spanier, a journalist working in London, formerly was diplomatic correspondent of the Times. On finding that foreign policy had so much in common with gambling, he decided to devote his main attention to casinos. His most recent book is Welcome to the Pleasuredome: Inside Las Vegas (1994), published by the University of Nevada Press. Copyright © by David Spanier.*

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at the track, or at a lottery terminal, the player can give self-indulgence a whirl, briefly cast responsibility aside, and fantasize about a brighter, richer, easier life. It is not, in reality, going to work out like that. But some people do win, don't they? In lotteries, almost unimaginable sums of money.

**H**ere it is useful to distinguish different forms of gambling by the payoffs they offer: long-term versus short-term; degrees of social gratification; profit and loss. Each kind of gamble offers its own appeal.

First, the long-shot gamble, as in lotteries. In terms of odds, of many millions to one against winning, lotteries are a bad gamble. Their appeal, which certainly elicits a deep response across a huge swath of the population, lies in the prospect of acquiring superstar wealth, as if the finger of fate were suddenly to reach out and touch one lucky person. All of this can be purchased for a very small price. For a period before the draw—it may be just a few minutes, or may last for days—people can daydream about what they would do with the money. And why not? It is a harmless enough little dream, which can lighten dull lives. Lottery players know that only one winner will make it big. What their purchase of a ticket gives them is a little spoonful of hope, which, like honey, is pleasing while it lasts.

Experience shows that lotteries tend to exploit low-income sectors of the population. Besides being least able to afford this kind of spending, which is of course an indirect form of taxation, such people tend to be most vulnerable to the lottery promoters' blandishments. Indeed, what may be most troubling about lotteries are slogans like "Your way out of the ghetto" and other enticements used by state agencies to attract bettors.

A great deal of gambling, at the popular level, is geared to a short-term thrill. This is what casinos offer. Unlike with lotteries, the odds seem within reach. Casino gamblers look down on lotteries because the

odds are too long to offer a practical expectation of gain, whereas slot machines, dice, blackjack, and roulette can provide an immediate return. At a fast-moving game of roulette, there may be more than 60 coups an hour: a slot machine, without the intermediary of a dealer or croupier, or any need for know-how on the part of the player, offers perhaps five or six coups per minute. With a slot machine, the thrill of the action as the gambler inserts the coins, pulls the handle, or presses the buttons, is almost continuous—as long as the money lasts. The American people have become so enamored of slots that they now account for about 65 percent of casino gambling.

It should be noted, in passing, that there is no skill involved in casino games (with the single exception of blackjack). What gamblers get is speed and intensity of action, plus the chance of hitting a winning streak that can lead to a big win, the win that will salve all their previous losses. At roulette, the queen of casino games, hitting the right number pays 35 to 1. Never mind that the edge against the player on the double-zero game is an iniquitous 5.26 percent, compared with only 2.7 percent on the single-zero European game. If luck, i.e. short-term fluctuation, runs your way, you can break the bank or at least win a small fortune. (What is the sure-fire way to make a small fortune in a casino? Answer: start off with a large fortune.)

**T**he gambling games offered by casinos act like a drug. It's part physical, part psychological, highs and lows, over and over, in rapid succession. These fluctuations of loss and gain, the glint of light and action, awareness of other people gambling, the sense underneath it all of playing with risk, of living on the edge of danger, are exciting. This is what the expression "getting the adrenalin going" means. The physical sensation—dryness in the throat, sweaty palms, butterflies in the stomach, the feeling of every nerve on full alert—is, for many people, highly pleasurable.





The Cheat with the Ace of Diamonds (circa 1620), by Georges de la Tour.

Some psychologists have suggested a parallel between gambling and sexual excitement: build-up, climax, release of tension, repeated over and over. There is no need to press the analogy too far to make the point that gambling carries a strong emotional charge.

To increase the sense of indulgence, of fantasy, of losing hold of reality, casinos create an ambience far removed from the surround of ordinary life. No clocks. No daylight. Seductive lighting. Flashes of surreal color. The whirl of the slots. The beat of music, pulsing under the noise of greetings, shouts, ringing jackpots, whoops from the winners. Drinks on the house—"Keep 'em coming, baby!"—and on every side, the half-open sexual turn-on of cutey-pie dealers in party dress or cowboy gear. What a heady, glamorous mix! How can anyone long resist it? All of it designed to disorient the gamblers and keep them playing. The

whole operation driven—this is most important—by easy credit. "Another 2,000, Mr. Ashuro, just sign this slip, sir."

The social component of gambling, varying from game to game, finds its most extreme expression in baccarat. The baccarat pit is usually separated from the casino floor by a rail; bystanders can admire or envy it, at a distance. The excitement of baccarat comes from the sheer size of the stakes, up to \$250,000 a hand in the case of Australian tycoon Kerry Packer and a few other very rich men. Again, it is a game requiring no skill whatsoever. (Two sides, Bank and Player, each draw two cards with the option of a third card, to see who gets closer to a total of nine.) Baccarat caters to a select group of monied players who probably can afford more or less anything they want in material terms but who relish the challenge of high-stakes play, of taking on the house. The players know that each hand is the

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equivalent of, say, the price of a Cadillac, but the bets are treated simply as so many plastic chips.

What gives this kind of gambling its cachet, its style, is not just the high stakes but another dimension of the game, which might be termed "social pampering." Baccarat provides a handful of top casinos—there is a pecking order among casinos as well—with the cream of their revenue. The managers of these casinos will do anything and everything to attract the high rollers: not merely the routine "comps" (complimentary services) of a free flight and private suite accorded all big gamblers, but the kind of personal attention (such as a favorite chef on call 24 hours a day) designed to gratify a particular customer's every whim. Such high pampering is not readily obtainable in ordinary life, even to the rich. (Girls? Perish the thought! Las Vegas casinos claim they would never risk their gaming licenses for petty prostitution.)

Casino staffs include a particular category of employee called a "host" whose role is to take care of high rollers: the host and the guest each understand that their relationship, cordial as it may be, is based on a false premise—namely the narrow 1.2 percent house edge on baccarat which, cumulatively, is immensely profitable to the casino. But both sides conspire to accept the relationship at face value. (Sometimes the players win a million or two, but so long as they keep coming back, the casino isn't worried.)

**T**he social aspect of gambling comes out most clearly in horse racing. The race track offers a quite different kind of gamble from casino play. For one thing, racing has a public image: people attend race tracks in large numbers, and they read about racing in the papers. The sport can be enjoyed for its own sake. Racing brings together a wide-ranging fraternity of owners, trainers, jockeys, and other followers whose common link is their enthusiasm for the game. In England, this

identity of interest runs from Queen Elizabeth herself all the way down to the cloth-capped punter at the street bookie.

More significantly, from the gambling point of view, horse racing (unlike most casino games) allows room for judgment. The bettor has lots of information to weigh: all the variables of running, timing, handicapping, etc. that comprise form. Horse-race players are notably studious, and the intervals set between races allow time to resolve the more or less insoluble equation of form, to pick a winner. This is a relatively measured form of betting, but being available almost every day, it still carries as much risk of becoming compulsive as any other form of gambling. It is satisfying to make your own judgment (especially if it proves right), but racing is still a gamble—much more so than games such as bridge or backgammon, in which a player's skill, in the shape of his or her own decisions, determines the result.

**T**he element of skill finds its most complete expression in professional gambling. As the odds in gambling are, by definition, against the player, "professional gambling" is something of a misnomer. It connotes players who have managed to turn the odds in their favor. The only casino game in which this occurs is blackjack. Thanks to mathematician Edward Thorp's landmark book *Beat the Dealer* (1962), many thousands of players have learned "counting" (a way of keeping track of the cards in order to increase the stakes when the outcome appears favorable; casinos hate counters and do their best to bar them). "You have to be smart enough to understand the game and dumb enough to think it matters," comments Peter Griffin, author of another treatise on blackjack.

Professional card players certainly exist: poker players, who expect to win more than they lose, and follow no other occupation, work longer hours than many accountants. In the United States, they pay income tax on their earnings. Their edge comes from exploiting

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the weakness of less-skilled players. "Ain't only three things to gamblin'," according to W. C. "Puggy" Pearson, former world poker champion. "Knowin' the 60:40 end of a proposition, money management, and knowin' yourself." There is at the same time a camaraderie among groups of gamblers, whether they are card players or horse-race players (or stock market speculators), which gives their activity an added dimension of a sense of belonging beyond the activity itself.

The truly professional gamblers are the casinos themselves. "If you wanna make money in a casino, own one!" advises Steve Wynn, president of Mirage Resorts, Inc. As the most successful operator in the gaming industry, he has proved his point. The casinos, by gratifying the gambling instincts of the rest of us, are betting on a sure thing. The odds are always in their favor. And if they get the operation right (not as easy it looks, as competition gets tougher), they must win. It took Wall Street some time to grasp this essential truth and accept casino stocks as respectable, but they are now a popular—perhaps even blue-chip—investment.

The rise of privately and publicly sponsored legalized gambling has consequences that are double-edged in different ways for communities and individuals. And the irony is that while the individual pleasures and psychic rewards of gambling have been generally underappreciated, the social and economic benefits of legalized betting are generally overestimated.

**I**t was Atlantic City that launched the gambling spree across the United States, taking it well beyond the arid confines of Nevada. The first casino opened its doors on the Boardwalk in 1978. Atlantic City became a model for other jurisdictions eager to cash in, so they fondly imagined, on easy money. It was an unfortunate model, because,

as anyone who has been there can vouch, Atlantic City is a dismal failure. Instead of being transformed into a new community, the old resort has remained essentially what it was, a glorified dump.

There are exceptions to the Atlantic City model. The most extraordinary, surreal even, eruption of gambling in America has occurred in an unlikely location: the green hills of Connecticut. Foxwoods, on the 2,000-acre reservation of the Mashantucket Pequot tribe, is now the most successful casino in the United States, indeed, in the English-speaking world. It plays host to 45,000 visitors a day. Its annual "drop" (money gambled) is more than \$800 million, its total "win" (money held after paying out the winners, before expenses) around 20 percent of this sum. And all this since 1991. Foxwoods has brought thousands of new jobs to a region in decline. The collapse of the shipbuilding industry in New London as the result of post-Cold War military cutbacks cost 6,000 jobs. Foxwoods has more than made up this total and has plans to add still more hotels and entertainment attractions.

Yet many of the jurisdictions that are so confidently promoting gambling today will discover that the economic benefits are illusory. Even Foxwoods could some day see an end to the easy money as competition in the region rises. What tends to occur is a diversion, rather than a net growth of economic resources. Gambling is, after all, different from other leisure activities. It can so easily destroy people. It can encourage false hopes, undermine thrift, and lead to compulsive behavior. It must be prudently controlled. The risk now is that it may do some of these things to entire communities as well. Even those (such as myself) who appreciate the revivifying effects of a night at the casino or a day at the race track may care to shade their bets in the face of the gambling fever that now grips the United States.

## AMERICA'S GAMBLING FEVER

It is only a little far-fetched to suppose that humans began to gamble almost as soon as they learned to walk. Archaeological evidence suggests that people began rolling astragali (dicelike objects made from the ankle bone of a sheep or dog) some 40,000 years ago.

From the Etruscans to the American Indians, virtually all of the world's peoples have played games of chance. As Lorenz J. Ludovici notes in *The Itch for Play* (Jarrolds, 1962), such games were rarely uncontroversial. Hindu holy books warn against playing with dice; Aristotle regarded dice players as thieves.

Some of the roots of the speculative urge lie in a desire to learn the mind of God. In the Old Testament, God commands Moses to divide the Promised Land by lot. Yet He also rebukes the children of Israel for "preparing a table for Luck." As late as the 17th century, Protestant ministers were agonizing over when it was permissible to cast lots.

Many people gamble just because it's fun. Yet even a game, it appears, is not always just a game. The deeper functions of play are explored in Johan Huizinga's *Homo Ludens* (1938, repr. Harper, 1970) and Roger Caillois's *Man, Play, and Games* (1958, repr. Schocken, 1979).

Last but far from least on the list of goads to gambling are greed and compulsion. Fyodor Dostoyevsky's *Gambler* (1847) features literature's most famous wretched card-and-dice man. From the social sciences come a number of books, including *Compulsive Gambling* (Lexington, 1989), edited by Howard J. Schaffer. Dostoyevsky's own compulsive gambling is the subject of an essay by Sigmund Freud in *The Psychology of Gambling* (Harper, 1975), edited by Jon Halliday and Peter Fuller. Noting that Dostoyevsky was at his best as a writer when most nearly reduced to penury by gambling, Freud speculated that "when his sense of guilt was satisfied by the punishment he had inflicted upon himself, the inhibition upon his work became less severe and he allowed himself to take a few steps along the road to success."

The heavy moral baggage tends to tip the balance in many books. A good account of gam-

bling in ancient times, for example, is *Fools of Fortune* (Anti-Gambling Assoc., 1892), by reformed gambler John Philip Quinn. His well-stuffed narrative—including digressions on matters such as the "nail prick" and "shiner" methods used by card cheats in his own day—is wrapped in a violent antigambling tirade. A more lighthearted survey of the scene in 19th-century Europe is Ralph Nevill's *Light Come, Light Go* (Macmillan, 1909).

In *Gambling and Speculation* (Cambridge, 1990), a less ambitious survey, Reuven Brenner takes a decidedly more relaxed view than Quinn. Other histories include *The Business of Risk* (Univ. Press of Kansas, 1985), by Vicki Abt, James F. Smith, and Eugene Martin Christensen; *Sucker's Progress* (1938, repr. Patterson Smith, 1969), by Herbert Asbury; and *Play the Devil* (Potter, 1960), by Henry Chafetz. The best historical survey of the American scene is John Findlay's *People of Chance* (Oxford, 1986).

In *Card Sharps, Dream Books, and Bucket Shops* (Cornell, 1990), Ann Fabian argues that condemnation of gambling grew in tandem with capitalism in 19th-century America. Gambling, she says, became a "negative analogue," [which] made all other efforts to get rich appear normal, natural, and socially salubrious."

William R. Eadington and Judy A. Cornelius, both of the University of Nevada, Reno, have edited a number of volumes surveying recent research, including most recently *Gambling and Commercial Gaming* (Inst. for the Study of Gambling, 1992). On lotteries, see *Selling Hope* (Harvard, 1989), by Charles T. Clotfelter and Philip J. Cook.

One of the most thoughtful books in the field is *House of Cards* (Little, Brown, 1978), by Jerome H. Skolnick. Writing before the recent casino explosion, Skolnick worried that the spread of American-style legalized gambling would spur problem gambling, create an oversupply of casinos, and breed corruption of various kinds. Once left largely to the states, he wrote, the question of legalization might eventually become a major concern of the federal government.